

**GOVERNMENT OF INDIA
SCIENCE AND TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:5049
ANSWERED ON:11.05.2007
SOFT LOANS TO COMPANIES FOR R&D
Hasan Chaudhary Munawwar

Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

:

- (a) whether the Council for Scientific and Industrial Research (CSIR) has been sanctioning huge amount of soft loans to various companies for research and development;
- (b) if so, the details thereof ; (
- (c) the parameters adopted for sanctioning of loan;
- (d) the number of companies to whom the amounts of loans granted, the period of loan and the name of the project;
- (e) the present status of the recovery of loan;
- (f) whether any companies have gone sick after the grant of loans; and
- (g) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF EARTH SCIENCES (KAPIL SIBAL)

(a)&(b) Yes Sir. CSIR under the New Millennium Indian Technology Leadership Initiative (NMITLI) programme provides soft loan to industry with 3% Interest for pursuing R&D for well focused projects, in public-private Partnership mode. The details of the loan released in different projects are in Annexure-1. The loan is repayable in 10 yearly installments alongwith interest after completion of the project.

(c) For selecting Industry Originated Projects the procedure is very exhaustive. It starts with a press advertisement in leading national dailies and personal letters to a large number of industries. The proposals so received are then screened and shortlisted by a broad based committee. The shortlisted proposals are then segregated into broad groups of disciplines and referred to three individual experts in the area for their assessment and rating on a 1 to 10 scale (ten being highest and one being the lowest). The top rated one or two proposals in each group are then taken for development of focused proposals with the help of domain experts. The proposals so developed are then presented to the High Power Committee (HPC) for consideration and recommendation. Based on the recommendation of HPC, the Governing Body of CSIR approves the proposals. Usually, on an average less than 5% of the proposals are funded under the scheme. The eligibility for sanctioning the loan to the industry interalia includes:

Companies registered in India and having more than 50% of shareholding by Indians/ Non-resident Indians;

The company must have an R&D Centre, registered with the Department of Scientific and Industrial Research (DSIR), Government of India. If not, the firm undertakes to take steps to get its R&D Centre so recognized within 12 months.

Upto two projects of any company are supported under the NMITLI Scheme at any given time.

(d)&(e) The loan has been granted to 23 companies. The details of loan released and amount refunded so far are shown in Annexure I.

(f) No company has so far reported sick.

(g) Does not arise.